



Verizon Communications  
1300 I Street NW, Suite 400W  
Washington, DC 20005

December 12, 2001

**Ex Parte**

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> St., S.W. – Portals  
Washington, DC 20554

RE: Application by Verizon-New England Inc. for Authorization To Provide In-Region,  
InterLATA Services in State of Rhode Island, Docket No. 01-324

Dear Ms. Salas:

Per the request of the CCB staff, enclosed is a comparison of the Rhode Island and Massachusetts Performance Assurance Plans and a comparison of the Rhode Island and Massachusetts Performance Metrics. Please let me know if you have any questions. The twenty-page limit does not apply as set forth in DA 01-2746.

Sincerely,

A handwritten signature in black ink, appearing to read "Clint E. Odom".

Clint E. Odom

Enclosure

cc: J. Veach  
J. Stanley  
G. Remondino

## Comparison of Rhode Island and Massachusetts Performance Assurance Plans

### Massachusetts Plan

The current version of the Plan was filed with the Massachusetts Department of Telecommunications and Energy ("DTE") on May 18, 2001.

### Rhode Island Plan

The current version of the Plan was filed with the Rhode Island PUC on December 6, 2001. This version was filed in response to the Rhode Island Public Utilities Commission's ("PUC") December 3, 2001 order approving Verizon's proposed Plan with certain modifications.

### Significant Differences

1. Both the Rhode Island and Massachusetts Plans place at risk an amount equal to 39 percent of Verizon's net return in the respective state: \$21.974 million in Rhode Island, \$155 million in Massachusetts. However, the amounts at risk are not distributed in the same proportion among the various provisions of the plans, as a result of decisions made by the Rhode Island PUC:

	Dollars at Risk (millions) / Percent of Total	
	<u>Rhode Island</u>	<u>Massachusetts</u>
Mode of Entry (MOE)	\$5.215 (23.7%)	\$39.68 (25.6%)
Doubling of MOE	\$5.215 (23.7%)	\$39.68 (25.6%)
Critical Measures	\$5.633 <sup>1</sup> (25.6%)	\$42.85 (27.6%)
Special Provisions <sup>2</sup>		
Flow Through	\$0.695 <sup>3</sup> (3.2%)	\$5.29 (3.4%)
Hot Cut Performance	\$1.670 (7.6%)	\$12.70 (8.2%)
EDI	\$1.252 (5.7%)	\$9.52 (6.1%)
Billing	\$1.599 (7.3%)	N/A
Change Control Plan	\$0.695 (3.2%)	\$5.28 (3.4%)
TOTAL	\$21.974	\$155.00

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<sup>1</sup> In addition, the Plan allocates \$0.099 million annually to Critical Measure 13, from the MOE funds. Payments for this Critical Measure are made if MOE doubling is not triggered in the same month.

<sup>2</sup> In addition, the Rhode Island and Massachusetts plans allocate \$1.670 million and \$5.29 million, respectively, to a UNE Ordering Special Provision. Payments under this Special Provision are made from available (*i.e.* unused) funds (in Rhode Island) or available MOE funds (in Massachusetts) in a given month.

<sup>3</sup> In addition, the Plan allocates an additional \$0.695 million to the Flow Through Special Provision, from the MOE funds. Payments under this Special Provision are doubled if MOE doubling is not triggered in the same month.

2. The Rhode Island PUC ordered the creation of a new Billing Special Provision, based on performance measurements BI-3-04 and BI-3-05. The Rhode Island PUC placed a total of \$1.599 million at risk annually under this Special Provision. If Verizon does not satisfy either or both of the billing measurements in any given month, Verizon must pay \$133,250, in total, to the affected CLECs. As noted in the table, above, no such Special Provision exists in the Massachusetts Plan.
3. The Rhode Island PUC ordered the creation of a new Critical Measure, based on performance measurements PR-6-01 and MR-2-02 for 2-wire digital loops and MR-2-02 for 2-wire xDSL loops. The Rhode Island PUC ordered that the monetary amounts assigned to the performance measurements in this Critical Measure would be based on the weight given to them in the Mode of Entry provisions. The Rhode Island PUC further ordered that payments for this Critical Measure come from MOE funds, if MOE doubling is not triggered in the same month. Verizon's compliance filing accordingly allocates \$0.099 million to this new Critical Measure, funded as specified by the Rhode Island PUC. No such Critical Measure exists in the Massachusetts Plan. However, all three measurements are part of the DSL Mode of Entry under both plans.
4. The Rhode Island PUC ordered Verizon to provide CLECs with any remedy payments owed under the Plan via checks, rather than through bill credits. Once Verizon has updated its New England billing systems to provide the same information regarding bill credits as in New York, Verizon may petition the Rhode Island PUC for permission to make remedy payments through bill credits. Under the Massachusetts Plan, remedy payments are made through bill credits.

#### Other Differences<sup>4</sup>

1. Part I.A.2.(e) — The Rhode Island Plan more clearly explains that a CLEC will receive the higher of the amounts due under its interconnection agreement or the Plan. (The Rhode Island Plan also refers to a CLEC's interconnection agreement, rather than to the *Consolidated Arbitrations* plan established by the Massachusetts DTE.) This is a clarifying change only; there is no substantive difference between this provision in the two plans.
2. Part I.A.4 — The Rhode Island Plan does not include this section of the Massachusetts Plan, entitled "Accurate Reporting of Data," which notes that KPMG, as part of the Massachusetts OSS test, validated Verizon's performance reporting and states that reporting of results under the Plan will be the subject of an annual audit, the first of which

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<sup>4</sup> This is not meant to be a comprehensive list. Excluded are state-specific changes (e.g., references to Rhode Island or the Commission, in place of Massachusetts or the Department), conforming changes in light of the significant differences outlined above (e.g., references to 13, rather than 12, Critical Measures), changes to increase consistency among the various parts of the Plan (e.g., the Massachusetts Plan states that a 6-page report will be made available to CLECs each month, but describes a 9-page report; the Rhode Island Plan states that the report is 9 pages long), and typographical and formatting differences.

will begin 6 months after Verizon enters the Massachusetts long distance market. The only operative provision of this section is the reference to the annual audit, which appears in Part II.K.1 of the Rhode Island Plan. Accordingly, deletion of this section from the Rhode Island Plan does not result in a substantive change between the two plans.

3. Part II.G; Appendix D — The Rhode Island Plan states that monthly reports will be provided by the 27th day of the following month; the Massachusetts Plan states that such reports will be provided by the 25th day. The sample timeline for the exceptions process similarly begin on the 27th and 25th days of the month in Rhode Island and Massachusetts, respectively. These are consistent with the dates on which Verizon reports its performance under the Carrier-to-Carrier Guidelines in each state.
4. Part II.H — Information specific to the relationship between the Massachusetts *Consolidated Arbitrations* plan and the Performance Assurance Plan does not appear in the Rhode Island Plan. The Rhode Island Plan also clarifies that if a CLEC that discontinues service with Verizon has a balance due to Verizon, it will receive a check for those amounts, if any, still due to it under the Plan that exceed the amount owed to Verizon.
5. Part II.K.3 — The Rhode Island Plan does not include this section of the Massachusetts Plan, entitled “Annual Audit,” which describes the annual audit mentioned in point 2, above. Among other things, this section describes the selection of the auditor and the timing and subject matter of the audits. Part II.K.1 of the Rhode Island Plan contains similar information on the timing of the annual audit. The Rhode Island PUC’s order approving the Plan contains similar requirements regarding the selection of the auditor and subject matter of the audits.
6. Appendix C — The Rhode Island Plan includes “small sample size” tables for benchmark measurements with standards of 95%, 90%, 85% and 80%. The Massachusetts Plan includes such a table only for benchmark measurements with a 95% standard. Verizon has proposed the inclusion of similar tables in the annual review of the New York Plan; if approved by the New York PSC, they would be presented to the Massachusetts DTE for incorporation into the Massachusetts Plan.

## **Comparison of Rhode Island and Massachusetts Performance Measurements**

### April through October 2001

The exact same performance measurements were used in both states to create the performance results that Verizon reported for these months. Other than the state-specific references in the Carrier-to-Carrier Guidelines, the business rules for these performance measurements were identical.

### November 2001 and forward

Beginning in November 2001, Verizon's performance results for Rhode Island and Massachusetts will be based on different Carrier-to-Carrier Guidelines. However, Verizon cannot currently state with certainty the extent of those differences.

One difference between the guidelines in the two states, however, is certain. In its December 3, 2001 order adopting Verizon's proposed Rhode Island Carrier-to-Carrier Guidelines, the Rhode Island PUC ordered Verizon to report performance measurements BI-3-04 and BI-3-05, as those measurements are reported in Pennsylvania. In Massachusetts, however, Verizon will report the interim versions of BI-3-04 and BI-3-05, as approved by the New York PSC. Although BI-3-04 and BI-3-05 have the same performance standards in both Rhode Island and Massachusetts, the measurements in Rhode Island are more developed than the interim versions the New York PSC approved. See Guerard/Canny/Abesamis Decl. ¶¶ 17, 71-73.

In addition, as explained in the Guerard/Canny/Abesamis Declaration, in October 2001 the New York PSC issued an order making a large number of changes to the New York Guidelines, the vast majority of which take effect with the November 2001 data month. See id. ¶¶ 15-19.<sup>5</sup> In November 2001, Verizon filed a revised set of guidelines with the Massachusetts DTE, incorporating the changes contained in the October 2001 order.<sup>6</sup> On December 6, 2001, Verizon filed with the Rhode Island PUC revised Carrier-to-Carrier Guidelines proposing that the PUC approve the changes ordered by the New York PSC (with the exception of the interim versions of BI-3-04 and BI-3-05). Verizon does not know if the Rhode Island PUC will approve these revisions in whole or in part, or when the revised guidelines, if approved, will take effect in Rhode Island. As a result, beginning with the November 2001 data month, there could be a relatively large number of differences between the performance measurements used to create the performance reports in Massachusetts and Rhode Island.

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<sup>5</sup> A copy of the New York PSC's order, which details all the approved changes, is in Appendix N, Tab 6 to Verizon's application.

<sup>6</sup> A copy of the revised guidelines that Verizon submitted in New York (which are the same as the guidelines Verizon submitted in Massachusetts) is in Appendix N, Tab 17 to Verizon's application.